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NOTES ON MR. MELOON'S STUDY  
OF THE RETIREMENT POLICY

PREPARED AT THE REQUEST OF THE DD/S

*Personnel 17*  
*11 JAN 68*

1. There are several recurring themes in the paper recounting conversations with senior officials of the Support Directorate:

a. There is general agreement that Support Offices can live with the current policy calling for retirement at or before age 60. It is noted that the policy is being accepted with some bitterness by some employees; there may possibly be some difficulty in future recruiting due to the age limitation (noted by OTR); there should be a review of our commitments to individuals who understood upon their employment that they could work to age:

- 70 (printers)
- 65 (scattered personnel in OTR and other offices)

b. There should be one Agency retirement policy.

c. The retirement policy must be fairly applied to all Agency personnel.

d. A majority of the Office Heads feel that post retirement contracts should be held to an absolute minimum, with possible exceptions for:

- Historical work
- Investigative help

e. The most prominent basis for an early retirement system in the Support Services is noted as being the necessity for youthful, healthy, ~~available~~ available group of overseas rotatable personnel (this was commented on by OL, OF, Commo, OS, and the "S" career service).

f. Early retirement (before age 60) requires further inducements. The slight increase in annuity under the CIA system is not considered to be sufficient to achieve early retirement by an appreciable number of personnel (this was commented on by OC, OL, OP, OS, OTR, OMS, and S).

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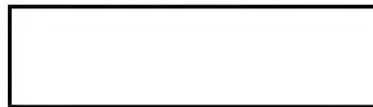
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g. Two of the offices pointedly raised a question as to the legality of the Agency policy of requiring people to retire at age 60 under the Civil Service Retirement System.

2. While there was general agreement that all offices could live with the age 60 policy, it should be noted that OC and OTR specifically suggested that a system might be devised for retirement at age 62 under the Civil Service Retirement System. This suggestion quite possibly might find considerable support among those components of the Agency who have few if any personnel eligible to retire under the present program of the CIA system. Although this might seem an attractive compromise, the fact remains that in the Clandestine Services, and in most of the Support Services, the basic reasons calling for a policy of retirement at age 60 (youthful service, rotatable personnel, unblocking of slots needed for maintenance of adequate promotion rates, etc.) apply to all personnel. The system under which they retire is really not the controlling factor for the question of when they should retire.

3. The question of further inducements as a means of achieving early retirement should be carefully looked into. Two particular considerations concern me with respect to this:

- I personally feel that our better people, those with the get-up-and-go to go out and find second careers, will be lost to us to a greater extent than any personnel classified as dead-wood who might opt for early retirement. In other words, I think that if we are interested in retaining our better people ~~that~~ sweetening the pot of early retirement may do us more harm than good.
- ~~The~~ <sup>The</sup> succession problem faced by the Support Services should be kept in mind in reviewing a policy of inducement. With the number of GS-14 through 18 personnel that we are due to lose in the next 8 years it may be that we will be interested in retaining a goodly number of these people until the succession STATINTL problem is better under control.



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NOTES: DD/P MEMO: RETIREMENT POLICY, UNDATED (REC'D 16 JAN 68).

1. Based on continuing secrecy, DD/P proposes a retirement of 56.25% of high five (30 years - CSR; 28.125 years - CIA) -- which is "...current income with which a reasonable scale of living may be maintained after retirement."

- Does secrecy have a price?
- What assurance is there that we can buy secrecy at 56.25% - or 50% - or 80% ?

2. DD/P proposes to make up the difference in cases where age 60 retirement would not produce 56.25% of high five --

- Lump sum payment to make up difference
- Extensions of service to reach 50% of high five --
  - Latter does violence to keeping program youthful, would continue blockage of promotion headroom, etc. (May not be problem, depending on size of group which would necessitate extensions).

3. Believe that we must consider any such arrangements carefully -- what is obligation of individual to provide for own retirement? (especially if changes jobs in 40 + age bracket)

- add in any social security coverage, etc.

4. What about <sup>AGENT</sup> Agency types?

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R.B.W.